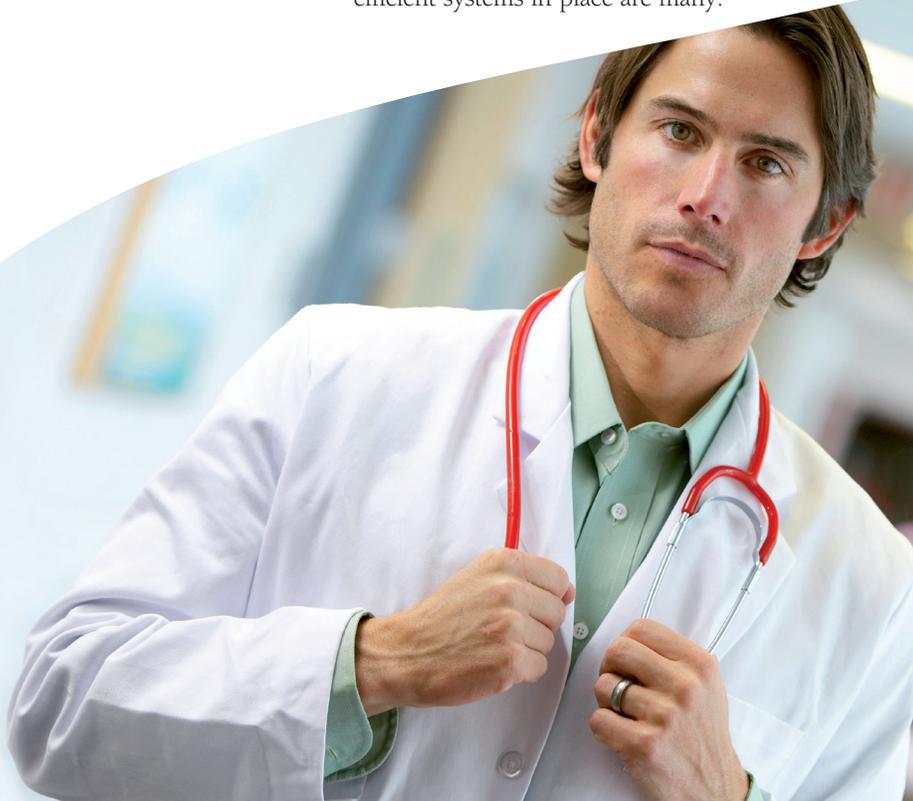


# HCP Spend Reporting

## Assess Your Readiness to Meet Current and Future Reporting Requirements

Even as government and regulatory scrutiny on Health Care Professional (HCP) aggregate spend expands, many Life Sciences companies are not ready to meet these new reporting requirements in an efficient and reliable manner, increasing the risk of non-compliance. Non-compliant companies not only face punitive actions including fines but also may feel the impact to their reputation with investors and other stakeholders. Not having a HCP spend reporting system can turn out to be more expensive than making an investment in implementing an automated system and supporting processes to track, manage and report HCP spend information. The reasons why companies have not put efficient systems in place are many:

- Reporting requirements vary greatly across regulatory bodies.
  - Eight states currently have legislation while 23 more states and Congress are considering similar legislation.
  - Six states require the reporting of payments to individual HCPs; the dollar threshold for payment reporting ranges from \$25 to \$100.
  - Three states require the adoption of a Code of Conduct or Compliance program.
  - Four states impose dollar limits on allowable payments to HCPs.



- HCP spend falls across various systems and processes within the company. A lack of an integrated identifier for HCPs can complicate tracking.
- A lack of the appropriate organizational structures, processes and controls to track, manage and report spending.

The HCP spend compliance issue is becoming even more challenging; Massachusetts and Vermont recently enacted HCP spend legislation that requires reporting beyond industry guidelines like AdvaMed, as well as stricter compliance regulations than the other states. Moreover, Massachusetts requires compliance with its new HCP spend law by mid-2010.

Compliance with these legislations requires much more than filling out forms. Compliance may require companies to report on direct and indirect HCP-related expenditures such as payments, gifts, royalties, consulting fees, meals, travel and other items. Some states also require reporting on the amount of general sales and marketing expenditures that occurred within the boundaries of that state.

### **Are You Prepared?**

In order to be prepared to address current and future federal and state HCP spend reporting requirements, the following key factors should be considered:

#### **1. Identify where the required data reside within your systems.**

For most clients, data exist in numerous systems and, in some cases, are not always clearly attributed to the specific HCP. For many clients, identifying and aggregating HCP reporting data can be a daunting task.

#### **2. Develop a unique HCP identifier.**

A leading practice is to establish a unique identifier for each HCP using technologies such as master data management. This is often a crucial step in attributing HCP spend correctly.

#### **3. Collect, validate and consolidate HCP spend data.**

Once a unique identifier is attributed to the HCP, every expenditure is tagged to the appropriate HCP identifier, and a HCP spend repository should be created. This will not only help address regulatory requirements but also assist with better analysis, decision-making and verification.

#### **4. Establish business reporting rules specific to each state's requirements.**

Coding each state's rules is critical in complying with their reporting requirements. It is also necessary to conduct code-mapping tables to translate expenditures from your descriptions to the required vocabulary.

HCP spend management is more than just reporting compliance—it's a new way of doing business. Therefore, change management and organizational alignment is critical in designing, developing and managing HCP spend reporting. Organizations need to develop new HCP spend processes and policies, define roles and responsibilities, develop administrative procedures and enable spend management as part of regular business. All of these activities should be backed with executive commitment in an organization.

**Figure 1: Change Management and Organizational Alignment Are Critical for Success**



### Assess Your Readiness for HCP Spend Management

Capgemini's six-week HCP Spend Rapid Reporting & Risk Assessment program evaluates your organization's readiness.

Key outputs from this program include:

- Readiness and Risk Assessment
  - Evaluation of current IT tools, technical architecture, data flows, applications, reporting and infrastructure
  - Key components of high-level business processes required to support a HCP aggregate spend program
  - Process and technology gaps
  - Change readiness assessment
- Implementation Roadmap for Future Phases

Following the assessment, Capgemini helps clients with subsequent HCP aggregate spend analysis and reporting phases, including:

- Fit/gap analysis and HCP aggregate spend software evaluation
- Program management
- Application hosting and management

Leveraging Capgemini's HCP Spend Rapid Reporting & Risk Assessment and other capabilities can accelerate your company's progress, help increase compliance, reduce the development timeline of meeting HCP state reporting requirements and provide a more efficient solution for HCP spend management.

To learn more about how Capgemini can assist you with implementing an HCP aggregate spend compliance program, contact us.



## About Capgemini

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